## **REQUEST FOR PROPOSALS**

## FOR AS-NEEDED ENERGY PERFORMANCE CONTRACTING SERVICES

## FOR THE COLORADO ENERGY PERFORMANCE CONTRACTING PROGRAM



THE COLORADO ENERGY OFFICE

1580 Logan St, Suite 100

Denver, CO 80203

April 16, 2013

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# REQUEST FOR PROPOSALS FOR

## AS-NEEDED ENERGY PERFORMANCE CONTRACTING SERVICES

## 1.0 Overview and Background

The Colorado Energy Office (CEO), through its Energy Performance Contracting (EPC) Program seeks proposals from Energy Service Companies (ESCOs) to be pre-qualified for as-needed energy performance contracting services in Colorado's public buildings including but not limited to state agencies/institutions, higher education, K-12 school districts, and local governments. ESCOs selected through this RFP that enter into a subsequent contract with CEO will be eligible to provide EPC services to these governments that may choose to participate in CEO's EPC Program.

Selected ESCOs will commit to CEO's EPC Program guidelines via the ESCO Base Contract. ESCOs under contract with CEO will be pre-qualified to provide as-needed Energy Performance Contracting (EPC) services to CEO's Energy Performance Contracting Program participants. Facility Owner participants will sign a Facility Owner's Memorandum of Understanding (MOU) to follow program guidelines and will be directed to use the pre-qualified list to select an ESCO for their energy performance contracting project, using a recommended secondary selection process.

Small, medium and large firms are encouraged to submit proposals for consideration. The primary intent of this selection process is four-fold:

- To maintain a list of successful energy performance contractors state-wide, as a means to implement comprehensive energy and water efficiency and improvement projects in existing buildings that would otherwise be costprohibitive.
- To provide the CEO EPC Program participants the opportunity to procure services of qualified firms in a timely and cost-effective way.
- To ensure minimum qualifications of ESCOs to implement successful energy performance contracting projects.
- To offer all qualified firms the opportunity of equal access to work generated by CEO.

The ESCO Base Contract will contain rate schedules as proposed by the responding ESCO or as negotiated. Maximum rates will be established. Compensation for specific work will be detailed in the resulting contracts for specific projects.

CEO with the support from the Office of the State Architect (OSA) has promoted energy performance contracting for over a decade by providing technical assistance to program participants to help implement over \$290 million in performance contracting projects. CEO provides a standardized process with clear direction and accountability for all participants in the development, implementation, guarantee of energy/water savings, by defining roles and responsibilities; formalizing process steps; developing an EPC scope of work guideline; establishing maximum cost schedules; providing standard contract documents; and requiring an international accepted measurement and verification procedure. Potential CEO EPC Program participants include state departments, higher education institutions, public school districts, municipal and county governments, recreation/library districts, as well as multi-family building operations and other approved entities identified by CEO. Energy performance contracting enables these participants to accomplish energy and water renovation projects without using capital budgets, paying for projects through resulting savings.

#### **2.0** Proposal Submittal and Selection Process

#### 2.1 POLICIES

- **2.1.1** All submittals shall become the property of the State of Colorado and will not be returned.
- **2.1.2** No specific work is associated with the ESCO Base Contract, as participation by facility owners in the CEO EPC Program is voluntary.
- **2.1.3** The actual extent of services required under any contract as a result of this solicitation is not known.
- **2.1.4** No individual firm is assured of obtaining any work as a result of selection.
- **2.1.5** The roles, responsibilities and requirements of the ESCO are outlined in the ESCO Base Contract.

#### 2.2 SUBMITTAL INSTRUCTIONS

- **2.2.1** All submittals shall become the property of the State of Colorado and will not be returned.
- **2.2.2** Late submittals shall not be evaluated.
- **2.2.3** The State reserves the right to reject any or all proposals on the basis of being unresponsive to these guidelines or for failure to disclose requested information.
- **2.2.4** The State shall not be liable for any costs incurred by respondents in the preparation of submittals and proposals nor in costs related to any element of the selection and contract negotiation process.

#### 2.2.5 Pre-proposal Conference

A Pre-proposal Conference will be held at:

Location: Colorado Energy Office, 1580 Logan St., Suite 100

Date and Time: Tuesday, April 30<sup>th</sup>, 10am – 12pm

The purpose of the Pre-proposal Conference will be to review the requirements of this RFP and answer questions from ESCOs in attendance. Attendance by ESCO representatives in person or via conference call at the Pre-proposal Conference is <u>mandatory</u> for submission of a response to this RFP.

#### 2.2.6 Communications Regarding This RFP

Questions and requests for clarification on this Request for Proposals must be submitted <u>in writing via email</u> following the instructions posted in the Notice.

No verbal inquiries will be addressed. In the event it becomes necessary to revise any part of this RFP, a notice revision will be posted on the Colorado Construction and Design Notices website. Written modifications only will be legally binding. No employee or agent of the State may verbally alter the contents of the RFP.

Communication with other State officials, the Selection Committee, or others associated with the CEO and public facilities with regard to this Request for Proposals is prohibited.

#### 2.3 SUBMITTAL FORMAT

- **2.3.1** Prepare proposals to respond to the items in the ESCO Response to Request for Proposals (Attachment B), identically following the same sequence and outline as found in Attachment B. <u>State each number and question prior to your response</u>.
- 2.3.2 Submit Request for Proposal Cover Sheet (signature required) and submit five CD, DVD or USB Flash Drive copies (IBM platform) of the submittals. Each copy of the CD, DVD, or Flash Drive shall include only two files, both in the pdf format. The Response (Attachment B) shall be converted in entirety to a single pdf formatted file and submitted on the CD, DVD, or Flash Drive. Similarly, the requested sample investment grade audit (Technical energy audit and project proposal) report shall be converted in its entirety to a pdf format and copied as a single file onto the same CD, DVD or Flash Dive. Security protection of the pdf file is allowed, but printing shall be enabled.

#### **2.3.3** Deliver proposals to:

Colorado Energy Office 1580 Logan Street, Suite 100 Denver, CO 80203 Attn: Hillary Dobos

No later than 4:00 PM MT, May 20th, 2013

#### SUBMITTAL SCHEDULE

The following schedule has been established for this Request for Proposals. Note that this schedule may be subject to change.

1.	RFP Published on the Colorado BIDS Systems, Colorado Construction and Design Notices and first advertisement in Colorado Daily Journal	April 16, 2013
2.	Pre-Proposal Conference	10:00 am MT on April 30, 2013
3.	Prospective Offeror(s)' written inquiries	5:00 pm MT on May 3, 2013
4.	Responses to Inquiries	5:00 pm MT on May 9, 2013
5.	Proposal Submission	4:00 pm MT on May 20, 2013
6.	Proposal Review Period	May 21 thru June 7, 2013
7.	Interviews (if required)	June 10 thru June 14, 2013
8.	Notice of Intent to Award, with ESCO Base Contract	June 19, 2013
9.	Signed ESCO Base Contracts Due	TBD

#### 2.4 SELECTION PROCESS

#### 2.4.1 Pre-Qualification.

A Selection Committee will review and score proposals and make recommendations to CEO. The Committee may schedule oral interviews with one or more responding companies to gain clarification as needed. ESCOs that are selected for pre-qualification shall sign an ESCO Base Contract prior to being listed as a pre-qualified ESCO.

#### 2.4.2 ESCO Base Contract with CEO

Successful companies will enter into an ESCO Base Contract with CEO (Attachment A) in order to be listed as a pre-qualified ESCO. The ESCO shall engage in a good faith effort to promote the CEO and shall adhere to its guidelines, requirements, and provisions. CEO reserves the right to amend the contract upon annual renewal.

An ESCO Base Contract will be for a one-year period. CEO will monitor and review ESCO performance for compliance with CEO guidelines, requirements, process, and documentation. There is no right or expectation of renewal and

any renewal will be determined at the discretion of the CEO. Changes in ownership or other factors can be submitted at any time for consideration.

#### **2.4.3** Selection for Projects

A CEO EPC Program participant may use a secondary selection process to select an ESCO to implement a performance contracting project at the participant's facilities. The secondary ESCO selection process will vary with the participant's procurement policies (see Attachment C).

### 3.0 Scope of Work

#### 3.1 ENERGY PERFORMANCE CONTRACT PROJECT PHASES

#### 3.1.1 Marketing and Preliminary Project Evaluation

CEO will actively market the CEO Energy Performance Contracting Program to potential participants within the State, providing the prequalified list of ESCOs along with the program guidelines.

Pre-qualified ESCOs under contract with CEO are encouraged to directly market their services under the CEO's Program to potential participants within the State. When a potential project is identified, the ESCO shall work with the Facility Owner to engage the CEO for project support. The ESCO may also be required to develop initial feasibility studies for potential projects.

#### 3.1.2 Technical Energy Audit and Project Development

The ESCO and the Facility Owner will execute a Technical Energy Audit (TEA) and Project Proposal Contract (Attachment F). This contract sets specific expectations and provides a detailed process for both the ESCO and the Facility Owner. The contract also defines the deliverables to the Facility Owner and establishes the basis for the Energy Performance Contract to follow. It incorporates current state statutes that directly relate to performance contracting for state agencies and institutions (Attachment D) and for Colorado local governments (Attachment E).

The Technical Energy Audit will identify and evaluate cost-saving measures and define the proposed project scope, cost, savings and cash-flow over the proposed financing term. As part of the TEA, a project proposal will present aggregated measures that can be financed through guaranteed savings.

#### 3.1.3 Energy Performance Contract Implementation

Upon satisfactory completion of the Technical Energy Audit, the Facility Owner will have the option to execute an Energy Performance Contract with the ESCO to implement the recommended facility improvement measures (Attachment G). The Energy Performance Contract will define

the final agreed upon scope of work and all its associated costs and mutual responsibilities between the ESCO and the Facility Owner, as well as facility improvement measures, the equipment and labor costs associated with them, and all guaranteed energy and maintenance cost savings. It incorporates current state statutes that directly relate to performance contracting for state agencies and institutions (Attachment D) and for Colorado local governments (Attachment E). A separate financing agreement will be developed including ESCO payment schedules and lender financing terms and schedules.

Upon execution of the Energy Performance Contract, the ESCO proceeds to final design, construction, and commissioning of the improvement measures.

#### 3.1.4 Performance Period

The Energy Performance Contract Performance Period begins upon construction completion and acceptance by the facility owner. The Energy Performance Contract will include a number of services the ESCO will provide until the end of the contract including but not limited to measurement and verification of savings persistence, the savings guarantee, staff training, and, possibly, contract maintenance services.

#### 3.2 RESPONSIBILITIES OF ALL PARTIES

Attachment A: ESCO Base Contract outlines the responsibilities and services to be provided by the ESCO, by CEO and by the Facility Owner.